



Milk Pricing

NEWSLETTER

Dairy Marketing Branch, CDFA

September 2001

ANNOUNCEMENT OF MINIMUM FARM PRICES FOR MILK FOR OCTOBER 2001

The commodity price per pound for cheese increased this month resulting in an increase in whole milk prices of 5.4 cents per gallon. Butter prices also increased putting the increase on high fat products, while skim and lowfat milk prices actually decreased.

Overall U.S. milk production is down partly due to the seasonal decline in production due to hot and humid weather. USDA predicts milk and dairy product prices will continue to climb in the months ahead.

Minimum Farm Prices for Various Fluid Milks by Container Size for October 2001

	Gallon	1/2 Gallon		Pint	1/3 Quart	1/2 Pint
Northern California						
Whole Milk	\$1.525	\$0.763	Skim - 2.3 ¢	\$0.191	\$0.127	\$0.095
Reduced Fat (2%)	\$1.296	\$0.648	Lowfat - 0.3 ¢	\$0.162	\$0.108	\$0.081
Lowfat (1%)	\$1.152	\$0.576	- 0.7 ¢	\$0.144	\$0.096	\$0.072
Nonfat (Skim)	\$0.815	\$0.408	\$0.201	\$0.102	\$0.068	\$0.051
Southern California						
Whole Milk	\$1.548	\$0.774	\$0.387	Reduced Fat + 1.7 ¢	\$0.129	\$0.097
Reduced Fat (2%)	\$1.320	\$0.660	\$0.330	Whole + 5.4 ¢	\$0.110	\$0.083
Lowfat (1%)	\$1.176	\$0.588	\$0.294	\$0.147	\$0.098	\$0.074
Nonfat (Skim)	\$0.839	\$0.420	\$0.210	\$0.105	\$0.070	\$0.052

Price Changes from September 2001 Pricing Period

	Gallon	1/2 Gallon	Quart	Pint	1/3 Quart	1/2 Pint
Whole Milk	\$0.054	\$0.027	\$0.014	\$0.007	\$0.005	\$0.003
Reduced Fat (2%)	\$0.017	\$0.009	\$0.004	\$0.002	\$0.001	\$0.001
Lowfat (1%)	\$0.007-	\$0.004-	\$0.002-	\$0.001-	\$0.001-	\$0.000
Nonfat (Skim)	\$0.023-	\$0.012-	\$0.006-	\$0.003-	\$0.002-	\$0.001-

California Department of Food and Agriculture

William (Bill) Lyons Jr., Secretary

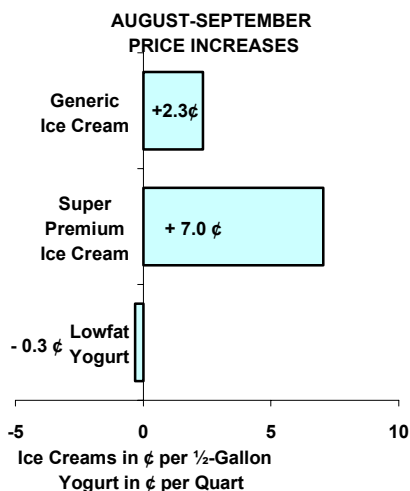
Robert "Tad" Bell, Undersecretary

Daniel E. Webb, Deputy Secretary; Valerie Brown, Deputy Secretary

Vanessa Arellano, Assistant Secretary

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Minimum Farm Prices for the Milk Component in Manufactured Dairy Products



1/ Southern California yogurt and ice cream milk product prices may be up to 1 cent more.

2/ Yogurt and ice cream prices change every second month.

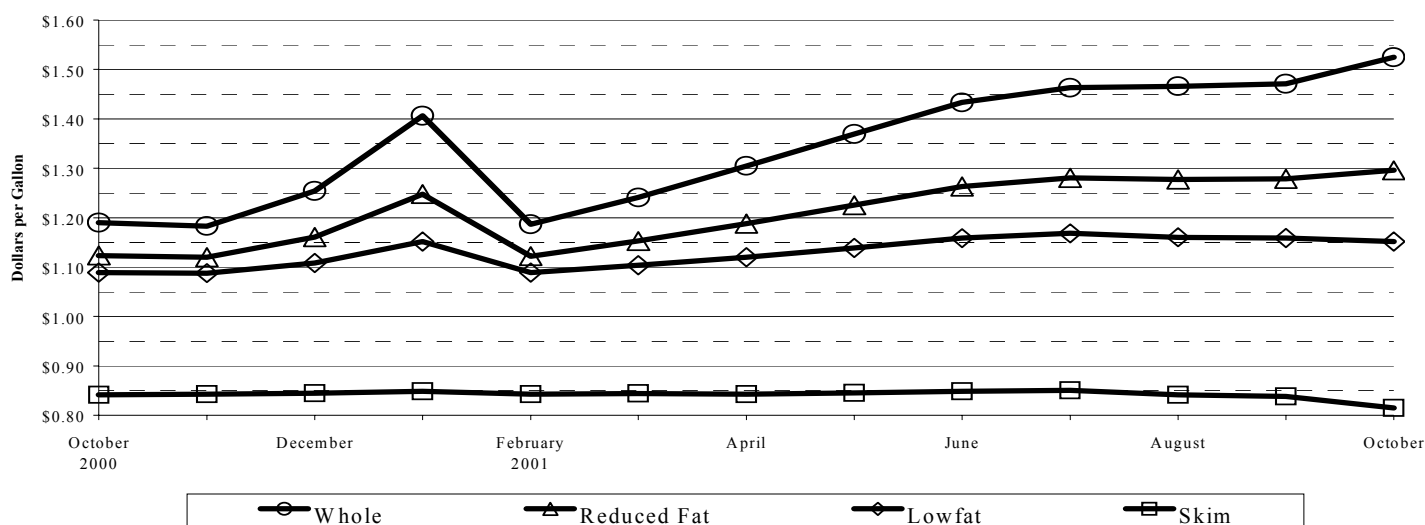
California Milk Component Farm Prices^{1/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
May	\$0.23	\$1.47	\$0.57	\$1.73	\$1.41
June	\$0.24	\$1.76	\$0.67	\$1.83	\$1.47
July	\$0.24	\$1.76	\$0.67	\$1.76	\$1.49
August	\$0.24	\$1.83	\$0.69	\$1.90	\$1.52

Price Change from the Prior Pricing Period^{2/}

	Lowfat yogurt (\$/quart)	Super-premium ice cream (\$/1/2 gal)	Generic ice cream (\$/1/2 gal)	Butter grade AA (\$/lb)	Cheese (\$/lb)
May	—	—	—	\$0.10	\$0.20
June	\$0.01	\$0.29	\$0.10	\$0.09	\$0.07
July	\$—	\$—	\$—	\$0.07-	\$0.02
August	\$0.00	\$0.07	\$0.02	\$0.13	\$0.03

Farm Component of Fluid Milk Prices



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